

BEFORE THE
Federal Communications Commission
WASHINGTON, D. C.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

MM Docket No. 87-268

Advanced Television Systems)
and Their Impact Upon the)
Existing Television Broadcast)
Service)

COMMENTS ON SECOND REPORT AND ORDER/
FURTHER NOTICE OF PROPOSED RULE MAKING

On behalf of Telemundo Group, Inc. ("Telemundo"), we hereby respond to the Report and Order/Further Notice of Proposed Rulemaking, FCC 92-174 (released May 8, 1992) (the "Further Notice") in the captioned proceeding. Telemundo operates a Spanish language television network, supplying programming to affiliated full and low power television stations. Telemundo also owns and operates, through subsidiaries, seven full power television stations and numerous low power stations. In response to the Commission's request for further comments on the proposed ATV/NTSC simulcast period, the time frame for ultimate conversion to ATV and the proposal to require low power television stations to convert to ATV facilities at the end of the simulcast period (see Further Notice at ¶ 3), Telemundo submits the following comments.

The Commission's proposed transition period, during which stations will be required to simulcast ATV and NTSC

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signals, provides a sound framework to achieve ATV conversion. Telemundo applauds the Commission's efforts to speed the implementation of ATV, but cautions that -- to be successful -- the Commission must remain sensitive not to impose undue burdens on broadcasters or consumers. Consistent with this position, Telemundo suggests herein that the Commission (i) embrace a flexible approach in the initial implementation of ATV in recognition of economic and technical issues that may hinder broadcasters in their attempts to comply with the rapid implementation schedule, and (ii) refrain from imposing any requirements on low power broadcasters that would result in the economic infeasibility of continued operation of these important local stations.

I. Flexibility Should Be Incorporated Into the Commission's ATV Conversion Scheme

As the Commission's fast-paced initial ATV implementation scheme proceeds, expected economic and technical concerns will require flexibility in the administration of the transition period. If the Commission too rigidly adheres to its scheme that two full-power transmission plants must be operated side-by-side for the entire 15-year transition period, the lack of flexibility may inadvertently harm the public's interest in diversity of programming sources and the FCC's interest in a seamless transition to ATV by imposing financial obstacles that stations are unable to overcome.

During the proposed simulcast period, television stations will be required to operate and maintain NTSC and ATV transmission facilities. However, today's projected cost of both acquiring full-power ATV equipment, ^{1/} and of maintaining and operating full-power ATV and NTSC facilities simultaneously can be expected either to dissuade stations in some markets from applying to construct ATV facilities, or to create severe financial pressures on those who do undertake to construct and operate dual plants. To mitigate these results -- which lead directly to diminished diversity and/or less-than-universal ATV conversion -- the Commission should signal now its intent to give broadcasters substantial leeway to proceed in a manner that is financially feasible.

Ideally, all stations will be able quickly to begin full power ATV service while maintaining full power NTSC service. As should be clear from comments already submitted in this proceeding, however, this ideal situation will not exist initially in most markets. Lack of utility power, building

^{1/} "CBS, PBS Offer Contrasting Views of HDTV Switchover Costs," Broadcasting Magazine, April 13, 1992, at 14.

space and tower space have been mentioned as obstacles to implementation of immediate full-power ATV simulcasting. ^{2/} Increased RF radiation at common transmitter sites from the ATV transmitters may also be a substantial problem. The cost concerns discussed above are also a substantial impediment. A flexible approach permitting reduced power for either NTSC or ATV operations, without restrictions on future increases to the maximum power the FCC deems appropriate for ATV, will help mitigate some of these obstacles. Therefore, Telemundo recommends that the Commission permit stations to initiate ATV broadcasts using relatively low power facilities without prohibiting them from increasing coverage towards the end of the simulcast period.

Initially, the flexibility urged here would allow a broadcaster, for example, to purchase only a 5 to 10 kilowatt ATV transmitter or to make ATV modifications to an existing NTSC auxiliary antenna system. Thus, the broadcaster could elect to defer the major eventual ATV equipment purchases during the start-up period when ATV equipment costs are high,

^{2/} While power requirements differ for the ATV systems under consideration, it appears ATV will require transmitter peak powers similar to NTSC transmitters, due to requirements for lower gain transmitting antennas and the high peak-to-average ratio of ATV digital signals.

and when limited ATV program availability and limited receiver penetration do not justify full-time, full-power ATV operation.

We acknowledge that this approach may indeed limit the availability of ATV signals at the start of the simulcast period, due to the reduced coverage. However, to the extent such limited initial facilities are constructed, where otherwise broadcasters would have opted not to build at all because of prohibitive costs, ATV will in fact be made available to a portion of the audience earlier than would otherwise have been the case. This, in turn, will drive the market for purchase of ATV receivers, which will lessen the population dependent on NTSC transmission near the end of the simulcast period. In addition, it will permit stations transmitting programs to specialized audiences (i.e. foreign language) to begin ATV service sooner than if full facilities were required early in the ATV transition period. This is consistent with the Commission's desire to speed ATV implementation and provide a diversity of programming.

Under this flexible power approach, as receiver penetration increases and consumer demand for more widespread ATV signal availability grows, broadcasters would be allowed to upgrade their ATV plant, up to maximum allowed facilities. Simultaneously, as they upgrade the ATV facilities, broadcasters should be given the option of reducing the power of their NTSC facilities.

Under one such scenario, a station would initially commence ATV operation with a small new 5 to 10 kw ATV transmitter. Later, after constructing its eventual 60 kw or higher power ATV transmitter, the station could move its NTSC transmissions to the lower-power ATV transmitter (after modification), until that small facility is shut down entirely or converted to auxiliary ATV use at the end of the simulcast period. 3/

Without this flexible power-level approach, stations would be forced to maintain two full-power stations during the entire 15-year simulcast period, which would have a serious impact on stations' ability to survive and serve the community. The initial equipment acquisition and continued operating costs already discussed are not the sole concern. If the simulcast period exceeds ten years, as proposed, many stations will be forced to replace aging full-power NTSC transmitters with new NTSC transmitters toward the end of the period, simply because of the age of the transmitters. This puts broadcasters at a double disadvantage: They will be forced to purchase high-power ATV transmission equipment when demand is high, designs are new and costs are high, and forced

3/ The NTSC-ATV transmitter swaps envisioned here would not require channel swaps as well.

again to maintain and possibly replace high-power NTSC transmission equipment when supply is low, designs are outdated and costs are also high. The flexible power-level approach will give broadcasters the ability to avoid this "double whammy."

The ability of stations to decrease NTSC power toward the end of the simulcast period has the additional public interest benefit that such reduced NTSC operation will likely spur speedier ATV receiver purchases.

The Commission should permit these power level decisions, however, to be driven by the market, and should not set a timetable for power increases or reductions during the simulcast period. The broadcaster, who has both first-hand knowledge of his local audience needs, and also the economic incentive to meet those needs and to serve the largest possible segment of the audience, should be given broad discretion as to whether and when power levels should be adjusted.

The flexibility urged here should be available only during the simulcast transition period, lest the Commission's objective of total changeover at the end of the period be jeopardized. That is, we expect that by the end of the simulcast period, stations would be required to operate their ATV transmitters at the maximum authorized power, or to lose interference protection based on the maximum power.

II. Low Power Television Stations Should Not Be Required To Convert To ATV At The End Of The Simulcast Period

The Commission's proposal to require low power television stations to convert to ATV at the end of the simulcast period (see Further Notice at ¶ 44), will potentially break these small, community-oriented stations financially, resulting in a reduction in diversity of programming sources. Instead of imposing rigid conversion deadlines on low power operators, the Commission should adopt a flexible approach and permit these local broadcasters to convert to ATV when and if they are able, in response to local audience demand.

The low power television stations affiliated with Telemundo provide Spanish-language programming to many communities where Telemundo cannot provide programming via full power television stations. Even though low power stations are an integral part of Telemundo's network, Telemundo (and many of its affiliates) could not undertake to purchase ATV equipment for all of its low power stations immediately at the end of the simulcast period -- the aggregate cost would simply be too great. Under the Commission's proposal, all such non-converting stations would simply go dark, resulting in a dramatic reduction in local and specialized programming services.

No compelling reason has been articulated for mandating low power ATV operation at the conclusion of the full

power conversion period. To the extent that low power television operators can afford to convert to ATV operation, they will likely do so during or shortly after the simulcast period, because ATV receivers will certainly outnumber NTSC receivers toward the end of the conversion period. However, the continued operation of low power television stations in NTSC mode could not interfere with any other broadcasters, and would serve to provide some programming to those homes that have not been able to afford or have otherwise chosen not to purchase ATV receivers. The market will eventually force all low power licenses to convert to ATV, sell their stations or turn their licenses in to the Commission. There is no reason not to let low power stations proceed on their natural course, making these business decisions based on market demands.

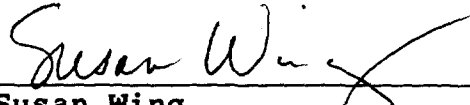
III. Conclusion

Flexibility in the implementation of ATV is critical to the success of orderly ATV conversion and to the economic survival of many stations. The enormous investment required to construct and operate side-by-side ATV and NTSC facilities for the 15-year conversion period will be too great a burden for stations in many markets, if the conversion scheme is unyielding. A flexible approach would allow broadcasters to spread some of their costs over time, to share other costs and to have some control over when their larger expenses should be

incurred. As with full power television stations, low power stations must be given flexibility to control their capital outlays and to judge when they are able to undertake the expense of new equipment.

Respectfully submitted,

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DECLARATION

I, H. Douglas Lung, Vice President for Engineering of Telemundo Group, Inc., hereby declare under penalty of perjury that I have read the foregoing Comments on Second Report and Order and Further Notice of Proposed Rule Making, and that they are true and correct to the best of my knowledge, information and belief.



H. Douglas Lung
Chief Engineer
Telemundo Group, Inc.

Dated: JULY 16, 1992

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